

No. 12,770

**United States Court of Appeals
For the Ninth Circuit**

ETTORE G. STECCONE, an individual
doing business under the firm name
and style of Steccone Products Co.,
Appellant,

vs.

MORSE-STARRETT PRODUCTS CO.,
a corporation,

Appellee.

**Appeal from the United States District Court,
Northern District of California,
Southern Division.**

BRIEF FOR APPELLEE.

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Subject Index

	Page
Statement of the case	1
Inconsistencies of appellant's position	6
General statement of the law	8
Local practice and local rule 5(d)	11
Local practice and local rule 5(e)	12
Local rule 5 but a supplement to Rules 52 and 58 of the Federal Rules of Civil Procedure	13
The District Court's memorandum opinion is in complete compliance with both the Federal Rules of Civil Pro- cedure and local rules	14
Finality of decision a question of intent of the judge	17
The substance of the proceeding out of which the District Court issued its memorandum opinion	19
A contempt proceeding is not a civil action within the ordinary meaning of those words as used in the Fed- eral Rules of Civil Procedure	20
Findings of fact, conclusions of law and a formal judg- ment are not necessary under the contempt proceedings as presented in this case	21
The memorandum opinion disposes of all issues necessary to render it a final decision for civil contempt	26
The appellant's contention that the proceedings were some- thing other than contempt is a flagrant ignoring of the obvious and is of no effect	28
Appellant's contention that order of contempt is incon- sistent with original judgment is untenable	29
Conclusion and summary	33

Table of Authorities Cited

Cases	Pages
Aerovox Corporation v. Concourse Electric Co., Inc., 90 F. (2d) 615	23
Auto Acetylene Co. v. Prest-O-Lite Co., 276 Fed. 534.....	25
Baltimore & O. R. Co. v. United Fuel Gas Co. et al., 154 F. (2d) 545	8
Burnham Chemical Co. v. Borax Consolidated, 170 F. (2d) 569	16
Cutting v. Van Fleet, 252 Fed. 100	24
Edward E. Bessette v. W. B. Conkey Company, 194 U.S. 324, 24 S. Ct. 665	20
Eskay Drugs, Inc. v. Smith, Kline & French Labs., 89 USPQ 202	23, 32
Fenton v. Walling, 139 F. (2d) 608	20
Hazeltine Corporation v. General Motors Corporation, 131 F. (2d) 34	16
Heller v. National Waistband Co., 168 Fed. 249.....	25
In re D'Arcy, 142 F. (2d) 313	9
In re Forstner Chain Corporation, Forstner Chain Corporation v. Marvel Jewelry Mfg. Co., 177 F. (2d) 572...9, 10, 17	
Myers v. United States, 264 U.S. 95, 44 S. Ct. 272	20
United States v. United Mine Workers of America, 67 S. Ct. 677	32
Wilson v. Calculagraph Co., 153 Fed. 961	25

Statutes	
28 USCA 1291	5, 8

TABLE OF AUTHORITIES CITED

iii

Texts	Pages
13 C. J. 5, 6	20
3 Cyc. of Fed. Proc. Forms 37, Sec. 1653	22

Rules

Federal Rules of Civil Procedure:

Rules 1 and 2	20
Rule 7(b)	21
Rule 52	13, 14, 33
Rule 52(a)	22
Rule 54(a)	8
Rule 58	13, 14, 33
Rule 75(d)	5

Rules of the United States District Court, Northern District
of California:

Rule 5	6, 7, 11, 13, 33
Rule 5(c)(3)	11, 14
Rule 5(d)	11
Rule 5(e)	7, 8, 12

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MORSE-STARRETT PRODUCTS CO.,
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Appeal from the United States District Court,
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Southern Division.

BRIEF FOR APPELLEE.

STATEMENT OF THE CASE.

The basic facts of this appeal are extremely simple and are as follows:

On January 11, 1950, the District Court entered a judgment whereby appellant was enjoined from performing the following acts:

“That a writ of injunction issue out of and under the seal of this Court enjoining and restraining the defendant, his associates, attorneys,

employees, servants, agents, and those in privity with him, or them, from in any manner using the trade-name 'Steccone' enclosed by an oval in connection with squeegees, or the handles thereof, and from so using the name 'Steccone' that reasonably attentive purchasers cannot readily distinguish between the products of plaintiff and defendant, provided, however, that defendant may make, advertise and sell squeegees as the products of the Steccone Products Co., or as defendant's product, so long as the name 'Steccone,' used alone or in conjunction with other words or symbols, on the squeegees or in the written advertising thereof, is accompanied by sufficient explanatory material so as to clearly differentiate it from the product manufactured and sold by plaintiff." (TR 16-17.)

Thereafter, on July 20, 1950, appellee filed a petition for order to show cause (TR 17-27) and the District Court on July 20, 1950, issued its order to show cause. (TR 38.) A hearing was held on the order to show cause on July 26, 1950, and on July 31, 1950, the District Court made an order directing appell~~ant~~^{ent} to cease and desist from performing certain contemptuous acts. This order was entered in the docket of the District Court Clerk on July 31, 1950. This docket entry appeared in the District Court Clerk's record as follows:

"July 31—Ord. deft. cease and desist from circularizing cert. printed circulars and manufacturing and selling improperly marked squeegees and handles and pay to pltff's. atty. \$500.00 atty. fees. (Erskine)" (TR 130.)

Also, on July 31, 1950, there was filed and docketed in the District Court docket a memorandum opinion and order signed by the district judge, this order the judge entitled "Memorandum Opinion". The clerk, on docketing the memorandum opinion, made the following entry in the Court's docket:

"July 31—66 Filed memo. opinion of court that deft. cease and desist from circularizing certain printed circulars; mfg. and selling improperly marked squeegees and handles and pay pltff's atty. \$500.00. (Erskine)" (TR 131.)

The memorandum opinion, for the convenience of the Court, is set forth in full:

"I find that exhibits 2, 3 and 4 attached to the affidavit of Leon Paul in support of plaintiff's claim that the defendant has not complied with the judgment of this Court are violative of that judgment. I do not make the same finding with respect to exhibits 1 and 5 attached to said affidavit, because the evidence indicates that these publications were not made by defendant but were made by dealers over whom this Court has no jurisdiction.

"See Tubular Heating & Ventilating Co. v. Mt. Vernon Furnace & Mfg. Co., 2 F.(2d) 982, 983.

"I further find that defendant has not complied with the order of this Court requiring him to indicate on the squeegees and the handles thereof manufactured and sold by him that they are not the product of Morse-Starrett Products Co.

"Accordingly it is Ordered that the defendant forthwith cease and desist from printing, circu-

larizing or using in any manner whatsoever the said exhibits 2, 3 and 4, or substantial copies thereof, and furthermore that he forthwith cease and desist from manufacturing and selling any squeegees or handles thereof marked with the word 'Steccone' used alone, or in connection with other words or symbols which do not clearly indicate that they are not the product of the Morse-Starrett Products Co.

"It is further Ordered that defendant pay to plaintiff a reasonable attorney's fee, to wit, the sum of \$500.00 for services of plaintiff's attorneys in the commencement and prosecution of said contempt proceedings." (TR 96-97.)

No appeal was taken from the order of July 31, 1950.

On October 6, 1950, application was made to the District Court for an order for writ of execution (TR 97-98) and the writ issued on October 6, 1950. Thereafter and on October 9, appellant filed motions and notice of motions to recall, quash or stay writ of execution and for entry of final judgment. (TR 99-100.)

A hearing was held on appellant's motions on October 23, 1950 (TR 101-126) and the clerk made the following docket entry:

"Nov. 9—Ord. motions to recall writ of execution and for entry of final judgment, each denied. (Erskine)" (TR 132.)

It is interesting to note at this point that no findings of fact, conclusions of law or a final judgment were

prepared, requested or submitted by appellant to the district judge for settlement on the order of November 9, 1950; however, on November 13, 1950, appellant filed a notice of appeal from the order of November 9, 1950, bringing the case before this Court.

ISSUE ON APPEAL.

The sole issue of this case is whether or not the order of July 31, 1950, which the District Court judge entitled "Memorandum Opinion" is a final appealable decision within the meaning of 28 USCA 1291, which states:

"The Courts of Appeals shall have jurisdiction of appeals from the final decisions of the District Courts of the United States * * *."

That such is the sole issue on this appeal is readily ascertained from several statements made by appellant in his brief. (Appellant's Brief, pages 4,10,14.) In the appellant's statement of points, filed in this Court pursuant to Rule 75(d) Federal Rules of Civil Procedure, appellant states as follows:

"There has been no appealable decision by the District Court following the hearing on the Order to Show Cause, filed July 20, 1950."

In the appellant's brief (page 4) under the heading "Statement of the Case" appellant in the last paragraph thereof states:

"The present appeal raises for determination the question whether the District Court entered a *final, appealable Order or Judgment* on the July 20th, 1950 Petition for Order to Show Cause. More specifically, did the Memorandum Opinion handed down on July 31st, 1950 constitute a final appealable order or was it simply a decision advisory in nature and to be implemented by Findings of Fact, Conclusions of Law and a Judgment, as called for in the rules?"

Also in appellant's brief (page 4) under the heading "Specification of Errors" appellant states as follows:

"The Court erred in treating its Memorandum Opinion of July 31st, 1950 as a final appealable order and in denying appellant's Motion to Enter Final Judgment."

Basically, the sole issue of this appeal is whether or not an appealable decision must be labeled or entitled "Judgment."

INCONSISTENCIES OF APPELLANT'S POSITION.

It is interesting to note how the appellant has set forth in his brief (pages 12-13) in great detail that which appellant deems to be the local practice. In so doing, appellant stresses at great length Local Rule 5 and in particular those subdivisions directed to decisions of the Court giving any order which requires settlement and approval as to form. After reading appellant's brief, one is almost convinced that local practice requires in all cases, before there can be an

appealable decision, formal findings of fact, conclusions of law and a formal judgment.

If, as appellant contends, such are the requirements of local practice, where then are the findings of fact, conclusions of law and judgment, upon which this appeal is based? Clearly, appellant does not contend that the order denying appellant's motion to recall, quash, or stay writ of execution and for entry of final judgment is not a final decision from which an appeal can be taken. Yet the very order from which appellant is appealing is not supplemented by formal findings of fact, conclusions of law and judgment.

It is submitted that in this respect, appellant is wholly inconsistent. If the appellant thought that Local Rule 5 was controlling in this matter, then why did he not follow the clear provisions of Local Rule 5(e) wherein it provides:

"If the prevailing party fails to lodge and serve his draft [findings of fact and conclusions of law] within five days, the adverse party may proceed within five days thereafter as herein provided."

Thus, if appellant at the time of entry of the order of July 31, 1950, was following the provisions of Rule 5(e), then after appellee herein failed to prepare, serve and lodge findings of fact and conclusions of law, appellant should have, within five days, prepared, served and lodged said findings and conclusions.

Undoubtedly, Rule 5(e) did not come to the mind of appellant or his attorney until after they forgot to appeal, within the time provided, from the order of

July 31, 1950. It was only after this failure to appeal that appellant sought the benefit of the provisions of Rule 5(e), disregarding, of course, the provisions thereof which placed any obligation upon appellant to preserve his rights under said rule.

GENERAL STATEMENT OF THE LAW.

The applicable code section is 28 USCA 1291, which states as follows:

“The Courts of Appeals shall have jurisdiction of appeals from the final decisions of the District Courts of the United States * * *.”

Under this present appeal, the sole issue turns on the meaning of the words “final decisions” as set forth in 28 USCA 1291.

The Federal Rules of Civil Procedure, Rule 54(a) defines “Judgment” as follows:

“‘Judgment’ as used in these rules includes a decree and *any order** from which an appeal lies.”

It can be generally stated that in determining whether or not a final decision has been rendered one must look to the substance and not the form, and if the decision terminates the litigation between the parties on the merits of the case, then it is a final decision within the meaning of 28 USCA 1291.

In the case of *Baltimore & O. R. Co. v. United Fuel Gas Co. et al.*, 154 F. (2d) 545, the Court stated as follows:

*All emphasis ours unless otherwise noted.

"In applying the test of what constitutes a final decision, the federal courts seem to have regarded substance rather than form, and to have been guided by practical rather than by purely theoretical considerations."

In the case of *In re Forstner Chain Corporation, Forstner Chain Corporation v. Marvel Jewelry Mfg. Co.*, 177 F. (2d) 572, the Court of Appeals for the First Circuit stated:

"* * * A final judgment is the concluding judicial act or pronouncement of the court disposing of the matter before it. But neither by statute nor by rule is there a requirement that judgment be pronounced in any particular way, or embodied in written form in a separate formal document entitled 'Judgment'. See *United States v. Hark*, 1944, 320 U. S. 531, 534, 64 S. Ct. 359, 88 L. Ed. 290."

In this respect, it should be noted that the appellant has cited at great length the case of *In re D'Arcy*, 142 F. (2d) 313, 315, and particular emphasis was placed on the following statement:

"Consequently, a statement in an opinion of the conclusions reached by the court, even though couched in mandatory terms, cannot serve as the order or judgment of the court. It is necessary that a definitive order or judgment be made and entered in the court's docket in due form."

However, this statement by the Court is pure dicta for the case was actually decided on the ground that the mandatory language in the opinion was never

entered in the docket as an order. Such are not the facts in the present case.

Even so, in the later and far better reasoned case of *In re Forstner Chain Corporation*, 177 F. (2d) 572, the Court points out the great error of this dicta, as follows:

“The mere fact that under the old learning an opinion was not part of a common law record, *England v. Gebhardt*, 1884, 112 U.S. 502, 504, 5 S.Ct. 287, 28 L.Ed. 811, does not compel the conclusion that ‘a statement in an opinion of the conclusion reached by the court, even though couched in mandatory terms, cannot serve as the order or judgment of the court.’ *In re D’Arcy*, 3 Cir., 1944, 142 F.2d 313, 315. There being no requirement of statute or rule that judgment must be pronounced in any particular form, we see no reason why the court may not, if it chooses, embody its judgment in a sentence appended at the end of an opinion. This sentence, as the judgment, would then be part of a common law record, even though the preceding opinion might not be. The old technicalities of a common law record would be inapplicable to the present case anyway, since the complaint here is in the nature of a bill in equity for an injunction and an accounting. Furthermore, law and equity are merged under the Federal Rules of Civil Procedure. Under Rule 75(g) it is prescribed that the opinion shall be certified and transmitted as part of the record on appeal.”

LOCAL PRACTICE AND LOCAL RULE 5(d).

Appellant sets forth at great length Local Rule 5 as establishing the local practice of requiring a formal judgment.

Appellant states that Rule 5(d) requires that there be a settlement and approval of the form of order or judgment and that Rule 5(c)(3) requires a specific direction to the clerk to enter the form of judgment or order so settled and approved.

These general statements by appellant are quite deceptive and are in fact but a sham, loaded with half-truths.

That such is a fact can be readily ascertained from a reading of the first sentence of Rule 5(d) which states:

“Within five days of the decision of the Court giving any order *which requires settlement and approval as to form*, the prevailing party shall prepare a draft of the order or judgment embodying the Court’s decision and present it for approval to each party who has appeared in the action.”

Note that the rule only applies to those orders *which require settlement and approval as to form*.

However, the rule itself recognizes that it is directed toward form only and not substance for the rule also states as follows:

“If all parties approve, or if no modifications are presented within said five days, the order or

judgment, if approved by the Judge, shall be signed and filed by him."

Clearly, under the present facts, the decision of the Court was not such an order which required settlement and approval as to form by the district judge because it was made by the judge. However, even if the decision of the Court was such an order which required settlement and approval as to form, the appellant has waived any objection to the form by failing to lodge with the clerk proposed modifications within the specified five days. Thus, the written decision and order of the Court which was signed and filed by the judge is in full accord with the local practice, even though appellant disapproves of its form.

LOCAL PRACTICE AND LOCAL RULE 5(e).

It is clear from the facts of this case and the precise language of Rule 5(e) that appellant has merely latched onto this local rule as a pure afterthought. Local Rule 5(e) applies only in those cases wherein there is a written notice of an opinion or memorandum order *for judgment*. Clearly under the present facts the Court decision was not an opinion or memorandum order *for judgment* but it was in fact the final order or judgment itself. If the appellant is at all serious in his contention, why then did he not comply with the second paragraph of Rule 5(e) which provides:

"If the prevailing party fails to lodge and serve his draft within five days, the adverse party may proceed within five days thereafter as herein provided."

**LOCAL RULE 5 BUT A SUPPLEMENT TO RULES 52 AND 58
OF THE FEDERAL RULES OF CIVIL PROCEDURE.**

It is true, as appellant so states, that the Local Rules are but a supplement to the Federal Rules of Civil Procedure. In this respect, it is interesting to note that appellant only mentions Rule 58 of the Federal Rules of Civil Procedure. However, Local Rule 5 is also intended to supplement Rule 52 of the Federal Rules of Civil Procedure which pertains to findings of fact and conclusions of law. Rule 52 expressly provides for a situation as presented under the present facts, for the rule states as follows:

" * * If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b)."*

Rule 58 of the Federal Rules of Civil Procedure pertains to the entry of judgment and provides as follows:

" * * When the court directs that a party recover only money or costs or that all relief be denied, the clerk shall enter judgment forthwith upon receipt by him of the direction; but when*

the court directs entry of judgment for other relief, the judge shall promptly settle or approve the form of the judgment and direct that it be entered by the clerk. * * *

Clearly the District Court has complied with Rules 52 and 58 of the Federal Rules of Civil Procedure. As to the local practice, there was strict compliance with Local Rule 5(c)(3) inasmuch as the form of the judgment or order was signed by the judge himself.

THE DISTRICT COURT'S MEMORANDUM OPINION IS IN COMPLETE COMPLIANCE WITH BOTH THE FEDERAL RULES OF CIVIL PROCEDURE AND LOCAL RULES.

Clearly the memorandum opinion has set forth in sufficient detail those specific acts which the Court found as a matter of fact to be in violation of the original judgment.

Judge Erskine, in his memorandum opinion, made the following findings of fact and conclusions of law:

"I find that Exhibits 2, 3 and 4, attached to the affidavit of Leon Paul in support of plaintiff's claim that the defendant has not complied with the judgment of this court, are violative of that judgment.

I do not make the same finding with respect to Exhibits 1 and 5, attached to said affidavit, because the evidence indicates that these publications were not made by defendant but were made by dealers over whom this court has no jurisdiction.

See Tubular Heating and Ventilating Co. v. Mt. Vernon Furnace & Mfg. Co., 2 Fed.2d 982, 983.

I further find that defendant has not complied with the order of this court requiring him to indicate on the squeegees and the handles thereof manufactured and sold by him that they are not the product of Morse-Starrett Products Co."

Then, based on these findings, Judge Erskine made the following order:

"Accordingly, IT IS ORDERED that the defendant forthwith cease and desist from printing, circularizing or using in any manner whatsoever the said Exhibits 2, 3 and 4, or substantial copies thereof; and furthermore

That he forthwith cease and desist from manufacturing and selling any squeegees or handles thereof marked with the word 'Steccone' used alone or in connection with other words or symbols which do not clearly indicate that they are not the product of the Morse-Starrett Products Co.

IT IS FURTHER ORDERED that defendant pay to plaintiff a reasonable attorney's fee, to-wit, the sum of \$500.00, for services of plaintiff's attorneys in the commencement and prosecution of said contempt proceedings."

The terms of this order were clear and understandable and needed no further explanation. From the very terms of the order, it is seen that the entire controversy between these parties with respect to the charge of civil contempt of Court was settled.

Appellant appears to be of the opinion that the judge in setting forth his findings of fact and conclusions of law must do so with great elaboration of detail or particularization of facts and that the facts and conclusions must be separately stated. Such elaboration is not necessary, as was stated by this Court in the case of *Burnham Chemical Co. v. Borax Consolidated*, 170 F. (2d) 569. In so deciding, this Court cites the case of *Hazeltine Corporation v. General Motors Corporation*, 131 F. (2d) 34, 37, which states as follows:

“* * * If, however, the opinion of the trial judge afforded a ‘clear understanding of the basis of the decision below’ and resolved the major factual disputes, the mere formal requirement of separation of findings of fact and conclusions of law has been held not sufficient to necessitate a reversal. In this case, a reading of the trial judge’s opinion reveals a full discussion and treatment of the major factual issues which leaves no doubt as to which facts the court accepted and relied upon in rendering its decision. These we can treat as findings of fact and so do.”

Obviously anyone reading the District Court’s memorandum opinion can readily ascertain those facts and conclusions the Court accepted and relied on in rendering its decision. To say otherwise is to avoid the obvious.

FINALITY OF DECISION A QUESTION OF
INTENT OF THE JUDGE.

As previously pointed out, the question of finality of decision is one of substance and not form. In looking to the substance of a decision, the intent of the district judge must obviously be taken into consideration. In the case of *In re Forstner Chain Corporation*, 177 F. (2d) 572, this was well stated as follows:

"* * * But upon the whole it seems more sensible to test the finality by what the district judge thought he was doing. In the order now appealed from he made what he must have regarded as the proper disposition of the plaintiff's motion, and in that view there were no further proceedings in the case to be had before him. * * *"

There can be little doubt that the district judge in this case intended that the memorandum opinion and order be the final order or decision. That such is a fact, can readily be ascertained from several of the district judge's own statements made during the hearing of appellant's motion to recall, quash or stay writ of execution and for entry of judgment. (TR pp. 101-126.)

That Judge Erskine considered his order of contempt to be final and had no intention of making and entering findings of fact and conclusions of law or a formal judgment in this matter, is clear from the record, where at TR p. 109 he said:

"I was unaware of the fact that there was any provision for findings and conclusions of law in connection with the violation of a contempt proceeding, based upon an alleged violation of the

order of the court. I really intended that order to be final; I didn't expect it to have any findings proposed upon that order."

Also at Tr. p. 118 Judge Erskine made a further observation as follows:

"I made certain findings in this opinion, was improperly called an opinion; I made certain findings in it and then I go on and say it is ordered, accordingly it is order, it is further ordered that the defendant pay to the plaintiff, and so forth. Those are outright orders, but nothing in the memorandum to prepare findings and a judgment."

Again, at TR pp. 123-124, Judge Erskine expressed his intention in the following way:

"The Court. I will look into the authorities on the thing. I would like to relieve you, but if you think, and the matter depends on what my intent was originally, then really I am stultifying myself and reversing and changing my intent by * * *"

* * * * *

"The Court. Intended to enter a judgment as I did, as I thought I did. The mere fact that it was a memorandum, or marked memorandum of opinion doesn't seem to me it ought to change the effect on the docket. A rose by any other name would smell as sweet. I say I order this and I order that. * * *"

It is seen, therefore, that the District Court considered his order of July 31, 1950, adjudging appellant guilty of contempt, to be a final order.

THE SUBSTANCE OF THE PROCEEDING OUT OF WHICH THE DISTRICT COURT ISSUED ITS MEMORANDUM OPINION.

As previously pointed out, both by appellant and appellee, the sole issue of this case is whether or not the memorandum opinion of July 31, 1950, is a final, appealable order. To justly decide this question, it is absolutely necessary to look at the nature of the proceedings in which the memorandum opinion was rendered.

Obviously, neither the appellant, the appellee, the district judge nor the court clerk considered the proceedings as a separate civil action. This is evident from the fact that the proceedings carry the same old docket number as the original action. The true factual substance of the proceeding clearly shows that the proceedings were nothing more than a supplemental application to the Court for an order to assist the appellee in procuring the remedy set forth in the original judgment.

Expressed in other words, it was a proceeding for civil contempt to assist the appellee in procuring the remedy set forth in the original judgment. Appellant constantly refers to the proceedings as involving "constructive contempt" but this again is but a half-truth. True, the acts of appellant were not performed in the presence of the Court, but it is well recognized that constructive contempt pertains to those acts which tend to belittle, degrade or embarrass the Court or the administration of justice. However civil contempt, whether the act be committed in the presence of the Court or some distance from the Court, is not

a proceeding to remedy a wrong against the Court, but merely remedial assistance to the party aggrieved. However, it is admitted that in some instances civil contempt can also amount to criminal contempt, but such is not this case.

That such is the law and is well recognized in this circuit can be seen from the case of *Fenton v. Walling*, 139 F. (2d) 608. See also 13 C. J. 5, 6.

A contempt proceeding is not a civil action within the ordinary meaning of those words as used in the Federal Rules of Civil Procedure.

It is well recognized that contempt proceedings are unique in the law. As such, contempt proceedings were never considered as being legal or equitable. All courts have an inherent power to adjudge contempt; if not, their orders would be but a hollow mockery. In the case of *Edward E. Bessette v. W. B. Conkey Company*, 194 U.S. 324, 24 S.Ct. 665, the Court stated:

“A contempt proceeding is *sui generis*. * * *”

It is well recognized that in adopting the Federal Rules of Civil Procedure, and in particular Rules 1 and 2, the words used therein were given their ordinary meaning. Yet it has always been well recognized that contempt proceedings are neither civil actions nor prosecutions for offenses. That such is the rule is well stated in the case of *Myers v. United States*, 264 U.S. 95, 44 S.Ct. 272, as follows:

“None of the cited Code sections makes specific reference to contempt proceedings. These are *sui*

generis—neither civil actions nor prosecutions for offenses, within the ordinary meaning of those terms—and exertions of the power inherent in all courts to enforce obedience, something they must possess in order properly to perform their functions. *Bessett v. W. B. Conkey Co.*, 194 U. S. 324, 326, 24 Sup.Ct. 665, 48 L.Ed. 997.”

FINDINGS OF FACT, CONCLUSIONS OF LAW AND A FORMAL JUDGMENT ARE NOT NECESSARY UNDER THE CONTEMPT PROCEEDINGS AS PRESENTED IN THIS CASE.

As pointed out above, contempt proceedings are *sui generis* and not a civil action within the ordinary meaning of the term. That this general rule is applicable in this case is apparent from the fact that the proceedings were not given a separate docket number but were merely carried forward as part of the original action.

It is submitted that, as a matter of substance and fact, the proceedings herein, from which the memorandum opinion resulted, was but the result of a written application to the Court for an order which set forth the particular grounds for the order and the relief sought.

This being the true substance of the proceeding, it becomes apparent that Rule 7(b) of the Federal Rules of Civil Procedure is the applicable rule.

Rule 7(b) provides as follows:

“(b) Motions and Other Papers.

“(1) An application to the court for an order shall be by motion which, unless made during a hearing or trial, shall be made in writing, shall state with particularity the grounds therefor, and shall set forth the relief or order sought. The requirement of writing is fulfilled if the motion is stated in a written notice of the hearing of the motion.

“(2) The rules applicable to captions, signing, and other matters of form of pleadings apply to all motions and other papers provided for by these rules.”

See also 3 Cyc. of Fed. Proc. Forms 37, Sec. 1653, which states as follows:

“Civil contempts are instituted and tried as part of the main suit and are between the original parties. There is no federal statute fixing the procedure in civil contempt proceedings, and the practice is not uniform. However, there are two general methods of procedure. The one is by petition for attachment, supporting the petition by one or more affidavits, if deemed necessary. The other, and perhaps the more common practice, is by motion or petition and rule to show cause.”

The substance of the proceedings being nothing more than a motion for civil contempt, then the applicable rule as to findings of fact and conclusions of law is well set out in the last sentence of Rule 52(a) of the Federal Rules of Civil Procedure which states:

“Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules

12 or 56 or any other motion except as provided in Rule 41 (b).”

It is therefore submitted that as a matter of law it is not absolutely essential in this contempt proceeding that there be set forth in elaborate detail the findings of fact. However, it is admitted that the better procedure would call for some clear indication as to the facts on which the order is based, such as the district judge did in this case.

That such is the rule is set forth in the case of *Aerovox Corporation v. Concourse Electric Co., Inc.*, 90 F. (2d) 615, as follows:

“There were no findings of fact or conclusions of law filed below, though a memorandum was filed, indicating the basis of the order made. The better practice requires a finding of facts which will make it clear what conduct has been held contemptuous, though the failure to do so is not necessarily fatal. Ryals v. United States (C.C.A.) 69 F.(2d) 946. And here the violation of the terms of the supplemental injunction by Sade Levenberg has been made to appear.”

The recent case of *Eskay Drugs, Inc. et al. v. Smith, Kline & French Laboratories*, 89 USPQ 202, (April 20, 1951, C.A. 5C.), clearly indicates that an appeal can be taken from a mere order of contempt. The Court of Appeals for the Fifth Circuit, in taking jurisdiction of an appeal from an order of contempt, stated the following:

“This appeal is from an order making absolute a rule to show cause and holding appellants to

be in violation of the provisions of a consent decree which, by injunction, prohibited their use of appellee's registered trade mark 'Eskay,' or any colorable imitation thereof."

* * * * *

"* * * On February 21, 1950, the lower court entered an order which held appellants' response insufficient, and, without receiving evidence from either side, further held that the name 'Enkay,' adopted by the appellants, was a colorable imitation of the word 'Eskay,' in violation of its decree."

It is interesting to note that the Court uses the term "in violation of its decree" which is substantially the same language used by Judge Erskine in present order of contempt.

This Court, in the case of *Cutting v. Van Fleet*, 252 Fed. 100, held that the proper procedure in seeking a review from an order of contempt is by appeal. This Court, in discussing the procedure of review of an order of civil contempt, said:

"The order of March 11, 1918, is sought to be reviewed here by writ of error. Under the provisions of Act Sept. 6, 1916, c. 448, 39 Stat. 726, the cause will be deemed to be in this court by appeal, since the contempt charged is a civil contempt arising in connection with a suit in equity for disobedience of an order made to preserve and enforce the rights of a private party, and administer the remedy to which he is entitled, and is therefore reviewable only by appeal. *Wilson v. Calculagraph Co.*, 153 Fed. 961, 83 C.C.A.

77; Heller v. National Waistband Co., 168 Fed. 1020, 93 C.C.A. 670; Clay v. Waters, 178 Fed. 385, 392, 101 C.C.A. 645, 21 Ann. Cas. 897; Merchants' S. & G. Co. v. Board of Trade of Chicago, 201 Fed. 20, 26, 120 C.C.A. 582."

The Second Circuit Court of Appeals in the case of *Heller v. National Waistband Co.*, 168 Fed. 249, reached the same conclusion that an appeal lies from an order of contempt, stating:

"**PER CURIAM.** It is well settled that, when an order imposing a fine for violation of injunction is substantially one to reimburse the party injured by the disobedience, it is to be reviewed only by appeal. Writ of error will lie only when the fine is clearly punitive, and in vindication of the authority of the court, as is the case where the fine is made payable in whole or in part to the United States. *Matter of Christensen Eng. Co.*, 194 U. S. 458, 24 Sup. Ct. 729, 48 L.Ed. 1072.

"The writ of error is dismissed. Defendant's remedy is by appeal."

The Sixth Circuit, in the case of *Auto Acetylene Co. v. Prest-O-Lite Co.*, 276 Fed. 534, entertained an appeal from an order of contempt.

The First Circuit has ruled similarly in the case of *Wilson v. Calculagraph Co.*, 153 Fed. 961.

This rule is uniform and has been recognized and applied by many of the Courts of Appeals.

This rule is well recognized in this circuit and is evidenced by the district judge's own statement on

the hearing of defendant's motion to recall, quash or stay writ of execution and entry of judgment. (Tr. pp. 101-126.) At page 117 of the transcript of record the district judge states as follows:

"That was what I just said, I have never been aware that in a contempt proceeding it was necessary to file findings and conclusions of law, the same as you would on an original judgment."

* * * * *

"If I can I want to give any litigant before me a chance to appeal from my decision, but still I felt that this was just my final word on the subject; I had no idea that any findings should be filed and conclusions of law should be filed, or any special judgment filed. The order, as I read it, shows that on its face."

THE MEMORANDUM OPINION DISPOSES OF ALL ISSUES NECESSARY TO RENDER IT A FINAL DECISION FOR CIVIL CONTEMPT.

Appellant states in his brief (pp. 14-16) that the memorandum opinion is not a final decision in that it does not dispose of all issues. Also appellant, in a back-handed fashion, indicates that the proceedings were not contempt proceedings but were in the nature of proceedings to amend and clarify the original judgment. For the appellant to make such contentions is beyond comprehension.

Appellant completely overlooks the well recognized rule that a prayer for relief never raises an issue of fact. As can be seen from the prayer of the petition for order to show cause (TR pp. 17-27) the appellee

prayed for a great many things, which were not granted, but the prayer clearly did not create any issues.

The district judge recognized this general rule and followed it explicitly. In fact the appellant raised this very same point at the hearing on order to show cause. (TR pp. 69-96.) Appellant clearly pointed out to the Court that in a contempt proceeding it was improper to seek relief by way of expanding the original judgment. Appellant cited several cases and presented them to the Court. Thus there can be no doubt that the district judge was fully aware of his powers on the contempt proceedings.

After the rendering of the memorandum opinion, and at the hearing of appellant's motion to recall quash or stay writ of execution (TR pp. 101-126), appellant again raised the very same point. In the transcript of record, page 122, there appears the following:

"Mr. Naylor. * * * and as a matter of fact Mr. Hursh has referred to the fact they prayed for something more than contempt, namely, a supplement of Your Honor's original judgment. You remember that point was discussed.

The Court. Yes, I think I refused to give it.

Mr. Naylor. That is true, that is true, but I think the refusal was in the matter of form, but not substance."

Thus it is obvious that the Court has in fact passed on every basic issue but has denied appellee certain relief asked for in the prayer.

THE APPELLANT'S CONTENTION THAT THE PROCEEDINGS
WERE SOMETHING OTHER THAN CONTEMPT IS A FLAG-
GRANT IGNORING OF THE OBVIOUS AND IS OF NO EFFECT.

In appellant's brief, pages 14-16, appellant asserts that the proceedings were something other than contempt proceedings. This is ridiculous.

The order to show cause was directed to appellant and ordered him to show cause why he should not be punished for contempt. (TR p. 38.)

Throughout the entire findings of the district judge, as set forth in the memorandum opinion, there is the statement that appellant has not complied with the judgment of this Court. Obviously, language of that character is used only in contempt proceedings.

Also, the last paragraph of the memorandum opinion clearly shows that the district judge considered the proceedings as being solely for contempt, because he said:

"It is further Ordered that defendant pay to plaintiff a reasonable attorney's fee, to wit, the sum of \$500.00 for services of plaintiff's attorneys in the commencement and prosecution of said contempt proceedings."

Conceding, purely for the sake of argument, that there may have been error in the nature of the relief granted in the order of the memorandum opinion, such error is not now subject to appeal. This is so for the following reasons:

The order as set forth in the memorandum opinion was the result of a contempt proceedings. There being

no specifically designated procedure for contempt proceedings and this order being entered in the Court's docket as the concluding act of the Court, is an appealable order. The time to appeal from that order having lapsed, this Court can no longer take jurisdiction to correct that order.

APPELLANT'S CONTENTION THAT ORDER OF CONTEMPT IS INCONSISTENT WITH ORIGINAL JUDGMENT IS UNTENABLE.

Appellant, at pages 14-16 of his brief, compares the provisions contained in the original judgment with those in the order of contempt and reaches the conclusion that the two are inconsistent and irreconcilable. Appellant's argument in this respect is based on the false premise that the proceedings taken pursuant to the order to show cause were not true contempt proceedings. This position of appellant is entirely untenable because the only requirement contained in the order to show cause was that appellant show cause " * * * why he should not be punished for contempt of Court in publishing advertising in connection with the sale of 'Steccone's Master Squeegees' as more fully appears from the petition of plaintiff and the affidavit of Leon Paul * * *." (TR p. 38.)

The District Court treated the matter as a contempt proceeding and in its memorandum opinion and order of July 31, 1950, found appellant guilty of contempt, using the following language in this respect:

"I find that Exhibits 2, 3 and 4, attached to the affidavit of Leon Paul in support of plaintiff's

claim that the defendant has not complied with the judgment of this court, are violative of that judgment.

* * * * *

"I further find that defendant has not complied with the order of this court requiring him to indicate on the squeegees and the handles thereof manufactured and sold by him that they are not the product of Morse-Starrett Products Co." (TR pp. 96-77.)

The judge then went on and made his order in this case, stating:

"Accordingly, it is Ordered that the defendant forthwith cease and desist from printing, circularizing or using in any manner whatsoever the said Exhibits 2, 3 and 4 or substantial copies thereof and furthermore that he forthwith cease and desist from manufacturing and selling any squeegees or handles thereof marked with the word 'Steccone' used alone or in connection with other words or symbols which do not clearly indicate that they are not the product of the Morse-Starrett Products Co." (TR. pp. 96-97.)

The order contained in the original judgment was in the following language:

"That a writ of injunction issue out of and under the seal of this Court enjoining and restraining the defendant, his associates, attorneys, employees, servants, agents, and those in privity with him, or them, from in any manner using the trade-name 'Steccone' enclosed by an oval in connection with squeegees, or the handles thereof, and from so using the name 'Steccone' that reasonably

attentive purchasers cannot readily distinguish between the products of plaintiff and defendant, provided, however, that defendant may make, advertise and sell squeegees as the products of the Steccone Products Co., or as defendant's product, so long as the name 'Steccone,' used alone or in conjunction with other words or symbols, on the squeegees or in the written advertising thereof, is accompanied by sufficient explanatory material so as to clearly differentiate it from the product manufactured and sold by plaintiff." (TR pp. 16-17.)

The only difference between the language of the order of contempt and the judgment is that one is phrased in positive language ordering appellant to cease and desist from certain acts while the other sets forth the use of the name "Steccone" by appellant with the imposition of certain conditions in connection with such use. The two provisions are entirely consistent and the only way one could not understand their provisions is for one not to make an honest and reasonable attempt to so understand them.

The appellant having been adjudged guilty of unfair competition by making, selling and advertising squeegees under the trade-mark "Steccone" was required to keep a safe distance from the dividing line between violation of and compliance with the original judgment. In other words, the appellant, in employing the trade-mark "Steccone" in any manner, acted at his peril. The language employed by Judge Holmes of the Court of Appeals for the Fifth Circuit in the

case of *Eskay Drugs, Inc. v. Smith, Kline & French Labs.*, 89 USPQ 202, 203, expresses the rule as follows:

"In such a case as this, where the appellants have been found guilty of infringing the trade mark rights of others, they should thereafter be required to keep a safe distance away from the dividing line between violation of, and compliance with, the injunction. They must do more than see how close they can come with safety to that which they were enjoined from doing."

The Supreme Court, in considering acts of criminal contempt in the case of *United States v. United Mine Workers of America*, 67 S. Ct. 677, 695, said the following:

"* * * The defendants, in making their private determination of the law, acted at their peril. Their disobedience is punishable as criminal contempt."

It is thus submitted that the only possible way appellant could be confused by the language employed by the District Court in its judgment and its order of contempt was to make a studied effort at becoming confused and closing its eyes to the true meaning and intent of the language employed by the District Court. The District Court couched its judgment and its order of contempt in the usual and customary language employed by all Courts in trade-mark and unfair competition matters where the defendant was found guilty of unfair competition by causing confusion in the trade between a trade-mark employed by said defendant and that of the complainant.

It is submitted that this alleged confusion of appellant is merely a sham defense.

CONCLUSION AND SUMMARY.

It is quite obvious to all parties concerned that the proceedings out of which the District Court issued its order as contained in the memorandum opinion were for contempt. A contempt proceeding being *sui generis* is not a true civil action and as such the ordinary rules of civil procedure are not fully applicable. In contempt proceedings it is not essential that there be findings. Under the facts of the present case, the District Court did make ample findings so as to clearly show the basis of the decision.

However, even if this were an ordinary civil action and not a strict contempt proceeding, the memorandum opinion as signed, filed and entered on July 31, 1950, is in strict compliance with the general rules as set forth in the Federal Rules of Civil Procedure and the Local Rules. This is so, particularly in view of Rules 52 and 58, of the Federal Rules of Civil Procedure and Rule 5 of the Local Rules.

It is respectfully submitted that the District Court committed no error in denying appellant's motion to enter judgment and the order should be affirmed.

Further the appeal should be dismissed because of failure of appellee to take an appeal from the order of July 31, 1950.

This action has been needlessly vexatious and expensive to appellee and therefore it is respectfully requested that appellee be awarded reasonable attorneys' fees.

Dated, San Francisco, California,
May 18, 1951.

Respectfully submitted,

MELLIN, HANSCOM & HURSH,
Attorneys for Appellee.